



SCOTT FITZPATRICK MISSOURI STATE AUDITOR

Lutie R-VI School District Investigative Summary

Summary of Significant Complaints reported:

The State Auditor's Office received concerns that Lutie R-VI School District personnel used district-issued credit cards for personal use and the superintendent used a school vehicle for personal purposes.

Background:

The Lutie R-VI School District, located in Theodosia, Missouri, includes one school building for grades K-12 and enrollment was 111 students for the 2024-2025 school year. District revenues and expenditures totaled \$2,976,903 and \$3,086,364, respectively, for the 2024-2025 school year.

Complaint Review:

Credit Cards

Our review determined the district credit card use was generally appropriate; however, district personnel did not always retain documentation to support purchases. In addition, the district does not have a policy on district-provided meals and some meal purchases may not have been necessary. The district has one credit card that is assigned to the Superintendent. Credit card expenditures for the period reviewed (November 1, 2024, through April 30, 2025) totaled \$12,655.

Credit card purchases reviewed included payments for clothing for homeless students, field trips, staff meals, student meals and incentives, activity expenses, and district related subscriptions. Most were supported by invoices or purchase receipt slips and appeared appropriate and the district used fundraising proceeds to pay for some of the purchases. We noted one personal charge for meal delivery that the district identified and the Superintendent reimbursed prior to our review. The district could not provide support for some meal and golf green charges that district officials indicated were for conference expenses, a Board appreciation dinner, and green fees for a student golf tournament. The Superintendent indicated the documentation was submitted to a former bookkeeper and could no longer be located.

While not personal, we noted the district purchased staff and Board meals that may not be a necessary use of district funds and district policy only provides guidance on meal purchases while traveling. Guidance or policies on district provided meals can have various provisions. For example, the State of Missouri's agency provided food policy only allows for food at official business functions and light refreshments at other agency sponsored activities (employee retirement, employee appreciation, etc.), but banquets for such activities are not allowed. In addition, the policy requires documentation to support food purchases including (1) purpose, (2) list of participants or estimated number of invitees, and (3) cost of food provided

Vehicle Use

We noted no concerns with the use of the district van. We reviewed mileage logs for the vehicle and noted it was driven almost daily to transport students from Lutie to 2 technical schools. The vehicle logs indicate the driver was the Superintendent's father. Due to the relationship, the Superintendent brought the decision to hire her father to the Board and the Board unanimously approved the hiring. All other mileage appeared appropriate and there was no indication the Superintendent used the vehicle for commuting or personal use.

Additional Concerns:

The district's fund balance is decreasing. Per the district's Annual Secretary of the Board Reports,¹ the total fund balance decreased by approximately \$250,000 for the 2023-2024 school year and \$109,000 for the 2024-2025 school year. In addition, the unrestricted fund balance percentage (General and Teacher's Funds) reduced from approximately 38% to 30%. While these amounts are well above what the Department of Elementary and Secondary Education consider to be financially stressed (3%), continued spending in excess of revenue will impact the district's ability to meet student needs.

Conclusion:

Purchases made with the district credit card were generally appropriate; however, the district did not maintain documentation for some expenditures including a Board appreciation dinner. The district does not have a policy regarding district-provided meals. Established policies on reasonable purchases and district-provided meals would provide employees guidance and better transparency for citizens about the use of public funds. Additionally, by not retaining documentation for purchases, the Board cannot ensure transactions provide an educational benefit to the district or comply with district policies. Especially given the decreasing fund balance, the Board should ensure all expenditures are a necessary and prudent use of district funds and retain documentation to support all expenditures. In addition, the Board should establish policies regarding meals, if such purchases are considered necessary.

The district provided the attached letter in response to the investigation indicating the district agrees with the conclusions and will take steps to implement the recommendations.

¹ *Annual Secretary of the Board Report*, <<https://apps.dese.mo.gov/ASBR/PublicView.aspx>>, accessed January 22, 2026.



LUTIE R-VI SCHOOL DISTRICT
EMPOWERING ALL STUDENTS TO SUCCEED IN A CHANGING WORLD

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ADMINISTRATION

Kathalee Cole, Superintendent/Principal

BOARD OF EDUCATION

Robert Edwards, President
Matthew Shockey, Vice President
Jennifer Garrison, Treasurer
Ryan Garrison, Member
Marlene Homer, Member
Suzanne Meeks, Member
Carl Kruger, Member

January 30, 2026

Missouri State Auditor's Office
Attn: Investigative Division
P.O. Box 869
Jefferson City, MO 65102

RE: Response to Investigative Summary – Lutie R-VI School District

Mrs. Johnson,

On behalf of the Lutie R-VI School District, I am writing to formally acknowledge receipt of the Missouri State Auditor's Investigative Summary regarding concerns related to district credit card use, documentation practices, and district vehicle usage.

The district appreciates the time and effort of the Auditor's Office in reviewing these concerns and providing recommendations to strengthen transparency, consistency, and internal controls. The district also acknowledges the report's conclusion that credit card purchases were generally appropriate and that there were no concerns identified with the use of the district van, including no evidence that the Superintendent used the vehicle for personal purposes.

Credit Card Documentation and Meal Purchases

The district recognizes the importance of maintaining complete documentation for all purchases made using district funds. While the report notes that most purchases reviewed were supported by receipts and appeared appropriate, it also identified instances where documentation for certain charges could not be provided.

Additionally, the District acknowledges that it does not currently have a formal policy addressing district-provided meals beyond guidance for meal purchases while traveling.

In response, the district will take the following corrective actions:

1. Updated Credit Card Procedures

- Effective immediately, all credit card purchases must include supporting documentation, including itemized receipts and a written business purpose.
- Purchases without proper documentation will not be approved for payment and may result in reimbursement requirements.

2. Food/Meal Purchase Policy Implementation

- The district will develop and present a district-provided meals and refreshments policy for Board consideration.
- This policy will include required documentation, including:



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- The purpose of the purchase
- A list of participants or an estimated number of attendees
- The total cost

3. Board Review and Oversight

- The district will strengthen its processes for administrative review and Board oversight to ensure that expenditures are a necessary, reasonable, and prudent use of public funds.

Vehicle Use

The district appreciates the report's finding that there were no concerns with vehicle use and that the mileage reviewed appeared appropriate, with no indication of personal use. The district will continue to maintain mileage logs and ensure consistent accountability measures remain in place.

Fund Balance and Fiscal Responsibility

The district takes seriously the report's note that fund balances have decreased in recent years and acknowledges the importance of ensuring spending does not exceed revenue over time.

While current fund balance levels remain above the threshold for financial stress, the district agrees with the recommendation that continued attention must be given to long-term financial sustainability.

To address this concern, the district will continue to carefully review expenditures, prioritize essential student needs, and use budget planning practices that ensure ongoing fiscal responsibility.

Closing

Lutie R-VI School District remains committed to strong financial stewardship, public transparency, and continuous improvement. We appreciate the recommendations provided and will implement policy and procedural updates to strengthen accountability and ensure consistent compliance moving forward.

Sincerely,

Kathalee Cole

Kathalee Cole
Lutie R-VI School Superintendent